

# FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

*Teleg. 3-10 # 72.  
Trans # 1613.  
March 11, 1933.*

**SUBJECT: DISCOUNTS FOR INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS**

**To All Banking Institutions in the  
Seventh Federal Reserve District:**

Our Bulletin No. 221 of August 1, 1932 referred to an amendment to Section 13 of the Federal Reserve Act, as amended by the Act of July 21, 1932 with respect to Discounts for Individuals, Partnerships and Corporations.

For your information Section 403 of the Act of March 9, 1933 amends Section 13 of the Federal Reserve Act as amended by adding at the end thereof the following new paragraph:

“Subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe, any Federal Reserve Bank may make advances to any individual, partnership, or corporation on the promissory notes of such individual, partnership, or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal Reserve Bank, subject to the review and determination of the Federal Reserve Board.”

The Federal Reserve Board, pursuant to the power conferred upon it by the amendment quoted above, has authorized all Federal reserve banks to make advances secured by direct obligations of the United States to any individual, partnership or corporation. Such advances will be made for periods not exceeding ninety days, will bear interest at the rate of five per centum per annum, and will be limited to such amounts as are required to meet immediate payroll requirements.

JAMES B. McDOUGAL,  
Governor.

*Refer also to Teleg. 3-13, # 118.  
Extended to banks, whether members or  
non-members.*